

finances, personnel and programming and, where appropriate, the ability or inability to dominate the company's board of directors. In summary:

"we are concerned chiefly by the demonstration of . . . power to dominate the management of corporate affairs."

Benjamin L. Dubb, 16 FCC 274, 289 (1951) (emphasis added).

The record in this case supports conclusions adverse to Trinity Broadcasting Network and NMTV on all relevant factors.

a. Finances

569. The record in this case documents that NMTV has at all times been subject to the financial control of Trinity Broadcasting Network, which has provided all of the funds that have enabled NMTV to acquire, construct and operate its stations. Simply put, NMTV has never been in a position to pursue a project except insofar as Trinity Broadcasting Network has chosen to finance it, as evidenced by the fact that it has never bought a low power station whereas Trinity Broadcasting Network has. This reflects that NMTV's purpose was to employ the minority preference to acquire authorizations that Trinity Broadcasting Network would be less likely to receive, not to duplicate what Trinity Broadcasting Network could equally as well do on its own.

570. The funds provided by Trinity Broadcasting Network have been characterized as loans, which now exceed five

million dollars. Significantly, these loans remained wholly undocumented until January 1, 1993, shortly prior to the adoption of the HDO. Moreover, the note adopted at that late date is a curious document that merely requires NMTV to repay the outstanding debt by January 1, 1998. In substance, it does nothing more than defer NMTV's debt for five years. Although NMTV has made token payments of about \$27,000 per month, this will still leave an outstanding debt of over three million dollars at the maturation of the note. The note thus amounts to little more than a sham designed to give an appearance of regularity to NMTV's financial situation for a temporary period perhaps reflecting the anticipated duration of any Commission inquiry into the relationship between Trinity Broadcasting Network and NMTV. In point of fact, the record in this case does not establish any basis for expecting that NMTV could free itself from its debt to Trinity Broadcasting Network except through Trinity Broadcasting Network's further forbearance or forgiveness of the loan, which Paul Crouch has indicated a willingness to do if necessary. Of course, NMTV's dependence upon Trinity Broadcasting Network's generosity also gives Trinity Broadcasting Network overwhelming leverage over the affairs of NMTV, which clearly could not chart a course independent of Trinity Broadcasting Network without jeopardizing its financial viability. It is also significant that a note

executed August 23, 1991 in connection with the proposed acquisition of a station in Wilmington, Delaware contained an express provision that would have treated any change in control of NMTV as a default under the loan, according Trinity Broadcasting Network the right to immediately demand payment of the entire debt. This evidences a desire on Trinity Broadcasting Network to assure its control of NMTV's corporate structure through finances. A similar provision is absent from the 1993 note; however, that note was prepared in the face of heightened Commission scrutiny into NMTV's affairs, including the real possibility of a hearing.

571. The financial dominance of Trinity Broadcasting Network is also evident from its provision of business services to NMTV, including preparation of its financial statements and tax returns and handling of its payroll, accounts receivable, bookkeeping and purchasing. These services have been provided since NMTV's inception. In 1987, the relationship was acknowledged in the minutes of an NMTV board meeting which appointed Trinity Broadcasting Network NMTV's "accounting agent". In 1991, the arrangement was formalized in an Agreement to Provide Business Services. The record does not reflect that Trinity Broadcasting Network was compensated for these services prior to the agreement. The compensation provided for in the agreement is well below the calculated costs of such services and even farther below their

actual market value. It may be concluded that the provision of these services does not reflect a bona fide business arrangement but is rather indicative of Trinity Broadcasting Network controlling status.

572. Although created in 1980, NMTV had no bank account until 1987. Moreover, since that time, all NMTV checks have been signed by Trinity Broadcasting Network employees. Indeed, except for a brief period after NMTV first established its initial checking account, no NMTV director who was not also a Trinity Broadcasting Network employee has even been authorized to sign checks on any NMTV bank account.

573. The record reflects that decisions concerning the budgets for the construction of NMTV stations and other engineering matters were in fact made by Paul Crouch in consultation with Ben Miller, who was Trinity Broadcasting Network's vice president of engineering. Apart from the costs involved in acquiring the stations (where applicable), such costs doubtless reflected the major expenses in connection with NMTV's operations.

b. Personnel

574. The HDO at para. 36 found with respect to this indicator of control that inquiry was warranted because of the common personnel policies and practices such as common handbooks that governed both NMTV and Trinity Broadcasting Network and because of the fact that the person purportedly

responsible for personnel policy at NMTV, Jane Duff, was a long time Trinity Broadcasting Network employee. The record in this case confirms both of these concerns; however, it establishes significant additional respects in which Trinity Broadcasting Network exercises obvious control over matters relating to NMTV personnel.

575. The evidence shows that NMTV had a relatively small staff consisting only of personnel responsible for the day-to-day operations of its two full power stations at Odessa, Texas and Portland, Oregon. It further shows that in substantial respects, the operation of NMTV in fact depended upon personnel of Trinity Broadcasting Network.

576. As noted, business related and payroll functions of NMTV were handled by Trinity Broadcasting Network's staff pursuant to an agreement involving an unrealistically minimal charge. Moreover, the record reflects that NMTV was dependent upon Trinity Broadcasting Network for engineering services. Apart from local employees at Odessa and Portland, NMTV had no engineering employees. General management responsibility for its engineering operations, including the construction of its stations, rested with Ben Miller, Trinity Broadcasting Network's vice president for engineering. In addition to providing overall management supervision in the area of engineering, Ben Miller was consulted in connection with the hiring of engineering personnel at the local level, including

the initial manager at Odessa and the chief engineer at Portland. With respect to the area of low power, NMTV never had any employees whatsoever. Its low power operations were entirely conducted by Trinity Broadcasting Network personnel, or outside contractors selected by Ben Miller, such as Planck Technical Services, Inc.. All of the engineering services provided by Trinity Broadcasting Network have been undertaken without the pretence of any agreement and without the pretence of any payment. Ultimately, but for the services provided by Trinity Broadcasting Network, there would be serious doubt as to whether NMTV would possess the minimal ability to ensure the proper technical operations of its stations.

577. It is also evident that when NMTV acquired the Portland authorization, the top two management positions of station manager and chief engineer went to Trinity Broadcasting Network employees, Jim McClellan and Mark Fountain, respectively. No effort was made to find qualified personnel unrelated to Trinity Broadcasting Network. This is particularly anomalous given NMTV's claim to be committed to increasing opportunities for minorities in broadcasting. Neither of the two Trinity Broadcasting Network employees hired for the top managerial positions at Portland was a minority, nor was any effort made to find a qualified minorities for those positions.

578. The same reliance on Trinity Broadcasting Network is evident with respect to services provided on a nonemployee basis. NMTV shared service providers with Trinity Broadcasting Network, including attorneys, consulting engineers, contract engineers such as Planck Technical Services, Inc., accountants, and sales representatives such as Media Services Agency. Colby May recognized that his representation of both Trinity Broadcasting Network and NMTV involved a conflict of interest; however, personnel of NMTV and Trinity Broadcasting Network with whom he discussed it were unconcerned. Norman Juggert, who provided legal services to both NMTV and Trinity Broadcasting Network and who was also a director of Trinity Broadcasting Network, did not recognize a conflict. His indifference to the question as well as the indifference of other Trinity Broadcasting Network/NMTV personnel evidences that they were aware that there really was no conflict because ultimately there was no distinction between Trinity Broadcasting Network and NMTV.

c. Programming

579. The HDO at para. 34 premised its concerns as to this indicator of control on the fact that virtually all of NMTV's programming comes from Trinity Broadcasting Network and the presence of little or no programming produced by NMTV itself independent of Trinity Broadcasting Network. It cited the fact that there were only two programs produced independent of

Trinity Broadcasting Network, rejecting NMTV's reliance on a third program because it was produced at Trinity Broadcasting Network's studio in California.

580. The evidence does show that the program previously produced in California, Joy in the Morning, was subsequently relocated to NMTV's studio in Portland. This reflected that the person who had produced that program for Trinity Broadcasting Network for many years, Jim McClellan, was transplanted from Trinity Broadcasting Network to become the manager at Portland. The evidence also shows, however, that, notwithstanding misleading suggestions that the show was "given" to NMTV, the Joy program remained the property of and remained under the control of Trinity Broadcasting Network pursuant to the Television Agreement and Production Agreement between Trinity Broadcasting Network and NMTV. The Joy program was still broadcast by Trinity Broadcasting Network.

581. The remaining two programs broadcast by the Portland station were a local version of Praise The Lord and a generic public affairs program. Trinity Broadcasting Network broadcast a national version of the Praise The Lord program and the local version was produced under guidelines established by Trinity Broadcasting Network. Thus, it remained dependent upon Trinity Broadcasting Network. Moreover, the combination of a local Praise The Lord program with a generic public affairs program was a formula long

employed at Trinity Broadcasting Network stations for meeting the obligation to produce programming responsive to local needs. It is a formula also evidenced at TBF's Miami station. Essentially, therefore, the local programming at Portland was indistinguishable from what one could expect to find if the station were licensed to Trinity Broadcasting Network. Moreover, it is produced under the aegis of Jim McClellan, who was a long-time Trinity Broadcasting Network employee and remained a Trinity Broadcasting Network programmer by virtue of his production of the Joy program pursuant to the Television Agreement and Production Agreement.

582. Apart from these three programs, NMTV otherwise broadcast only the network programming of Trinity Broadcasting Network. Jane Duff sought to minimize the impact of this fact by pointing out that the affiliation agreement between NMTV and Trinity Broadcasting Network was potentially more favorable to NMTV than were similar agreements with other Trinity Broadcasting Network affiliates in that NMTV had the right to cancel the agreement on 120 days notice and NMTV was less restricted in its right to carry the programming of other religious networks. It had in fact never considered cancelling its affiliation with Trinity Broadcasting Network nor had it ever carried programming from other networks that its agreement would theoretically permit. That being the case, these provisions are irrelevant. They would be

meaningless if NMTV were in fact controlled by Trinity Broadcasting Network, since in that circumstance NMTV would necessarily comply with the dictates of Trinity Broadcasting Network irrespective of what hypothetical rights might be specified in the agreement. Moreover, the agreement also accorded the right to Trinity Broadcasting Network to cancel the agreement on 120 days notice, which could well provide it significant leverage over NMTV. Thus, NMTV's viability depended upon its carriage of Trinity Broadcasting Network programming and it would be unlikely that an equally viable alternative format could be put in place in 120 days. These provisions in the affiliation agreement are of at best ambiguous significance and wholly fail to negate the overwhelming evidence of Trinity Broadcasting Network's dominance over NMTV's programming.

d. Ability to Control NMTV's Directors

583. The HDO at para. 33 spoke principally in terms of the fact that two members of the NMTV board -- Paul Crouch and Jane Duff -- were high ranking employees of Trinity Broadcasting Network. This arrangement was found to constitute negative control of the NMTV board once it was expanded to four members. The record in fact reflects that the extent of Trinity Broadcasting Network control was even more pervasive.

584. Initially, the evidence shows that the philosophy underlying NMTV was antithetical to its being an independent entity. Thus, Paul Crouch viewed minorities as being incapable of operating an independent business unless they were first "trained" under the tutelage of an experienced non-minority enterprise. As a result, NMTV was conceived as being in essence a "child" of Trinity Broadcasting Network, which was its "sponsoring organization." There was perhaps an expectation that at some point the child would grow up and be emancipated from its parent, Trinity Broadcasting Network; however, that day had not yet been conceived during the period of time covered in this proceeding. Two of the four directors not employed by Trinity Broadcasting Network²² -- David Espinoza and E. V. Hill -- expressly acknowledged this concept that NMTV was a "child" of Trinity Broadcasting Network. It is thus evident that -- as conceived by Paul Crouch -- NMTV was never intended as an independent organization but as training ground for minorities that might at some point achieve viability and then become emancipated. Paul Crouch tied this theory into the goal of assisting minorities;

²² The four directors of NMTV who were not also employees of Trinity Broadcasting Network included David Espinoza, Phillip Aguilar, E. V. Hill and Armando Ramirez. For convenience, they will be referred to as the outside directors, as distinguished from Paul Crouch and Jane Duff who were Trinity Broadcasting Network employees. It should be noted that all of the outside directors had ties to Trinity Broadcasting Network and the reference to them as "outside directors" merely means that they were not directors, officers or employees of Trinity Broadcasting Network.

however, it is premised on what can be charitably described as a patronizing racial stereotype. Insofar as the present issue is concerned, it amounts to a virtual admission that NMTV was not in fact an independent entity but rather functioned as a minor child ultimately subject to the authority of its parent, Trinity Broadcasting Network. The issue could be resolved adversely to Trinity Broadcasting Network/NMTV on this basis alone.

585. The record further shows that it was Paul Crouch who determined the size and composition of the initial board of NMTV. It was purposely kept to the minimum number of three because of Paul Crouch's concern about hostile takeovers and ease of operation. The board was later expanded to four members; however, this resulted from problems that arose because the second outside director Phillip Aguilar performed so poorly that it came to be recognized that reliance upon him as a director might not appear credible. There was never any effort to expand the board for the purpose of increasing minority participation, particularly of minorities from areas where NMTV operated stations.

586. Two of the initial three seats on the NMTV board were assigned to Trinity Broadcasting Network employees. The first seat was kept by Paul Crouch himself. The second seat went to his assistant, Jane Duff, a minority female. A third seat was allocated for an outside director, the first of which

was David Espinoza. David Espinoza, although not an employee of Trinity Broadcasting Network, was at the time a programmer on Trinity Broadcasting Network, i.e., he produced a regularly scheduled program broadcast on the network pursuant to an agreement with Trinity Broadcasting Network. The third seat was later held by Phillip Aguilar, who operated a charitable program that was supported by Trinity Broadcasting Network. Because of problems that arose with Phillip Aguilar's directorship, a fourth seat was created that went to E. V. Hill, who was a Trinity Broadcasting Network programmer, a compensated speaker at Trinity Broadcasting Network promotional rallies, and a personal friend of Paul Crouch. Later, Phillip Aguilar resigned and the third seat went to Armando Ramirez, who also produced a program on Trinity Broadcasting Network.

587. With respect to the first seat held by Paul Crouch, his primary commitment to Trinity Broadcasting Network is self-evident and constitutes an indicator of control by Trinity Broadcasting Network. He is not only an employee of Trinity Broadcasting Network but its president and one of its three directors. In fact, it may be concluded that he is the controlling director since one of the other directors is his wife. She has given a proxy to Paul Crouch since she has little interest in discharging the duties of a director and rarely attends board meetings. Her membership is primarily

designed to forestall any hostile takeovers and it is fair to conclude that Paul Crouch controls her directorship, as was conceded by the third director, Norman Juggert, who is also Trinity Broadcasting Network's counsel, when he testified that the effect of adding Mrs. Crouch to the Trinity Broadcasting Network board was to give Paul Crouch two votes.

588. The clearly non-independent nature of the Trinity Broadcasting Network directorship of Paul Crouch's wife is also pertinent in assessing the independence of the NMTV board. Thus, it demonstrates a pattern of conduct on the part of Paul Crouch of relying upon non-independent directors to ensure control. Paul Crouch caused his wife to be added to the Trinity Broadcasting Network board to forestall hostile takeovers, even though the remaining two directors -- Norman Juggert and Jane Duff -- had always been his faithful lieutenants. His wife was never intended as a bona fide director who would discharge the usual responsibilities of such a position, which she admittedly had no interest in doing.

589. With respect to the second seat held by Jane Duff, it must also be concluded that her presence on the NMTV board constitutes an indicator of control by Trinity Broadcasting Network. Her sole occupation is as Paul Crouch's assistant at

Trinity Broadcasting Network.²³ This is a high-level management position involving responsibilities in a number of areas, most particularly, the area of full and low power station expansion. In that respect, her duties at Trinity Broadcasting Network "integrally relate" to her role as a director of NMTV, as noted by the HDO. Thus, the record amply establishes that a primary role of Trinity Broadcasting Network is to expand its broadcast operations to the maximum extent possible. Indeed, if NMTV were truly separate, there would be an apparent conflict between Jane Duff's role in maximizing Trinity Broadcasting Network's holdings and her role as an NMTV director. For instance, she acquiesced in a decision that NMTV would not buy low power construction permits since Trinity Broadcasting Network could do so itself, but would rather limit its low power activities to seeking new authorizations where it had a greater chance of success than Trinity Broadcasting Network due to the minority preference. Moreover, the record reflects that Jane Duff primarily deferred to Paul Crouch and Trinity Broadcasting Network's

²³ The HDO also cites Jane Duff's status as a former director of Trinity Broadcasting Network prior to becoming an officer and director of NMTV. In fact, Jane Duff was an officer and director of Trinity Broadcasting Network when she was appointed to the NMTV board. She did not resign from the Trinity Broadcasting Network board until 1984, after NMTV had first claimed a minority preference for translator applications it had filed in 1980 and 1981.

vice president for engineering Ben Miller on issues relating to engineering and related budget decisions.

590. In George E. Cameron Jr. Communications, 91 FCC 2d 870, 52 RR 2d 455, 470 at para. 33 (Rev. Bd. 1982) (GECC), it was found to be a relative indicator of control that the general manager of the station was a "long-time subaltern" of the party suspected of asserting unauthorized control. Jane Duff is clearly a "long-time subaltern" of Trinity Broadcasting Network and Paul Crouch. Moreover, her position at NMTV is not merely that of general manager, but that of a director of the corporate licensee control of which is at issue. Clearly, as found at para. 33 of the HDO, this fact must be deemed as evidence of Trinity Broadcasting Network's control. It is impossible to conclude that the "long-time subaltern" of one party could meaningfully function as an independent owner of another corporation given the pervasive influence of the first party over the affairs of that corporation that is present here.

591. With respect to the two seats occupied at various times by the four outside directors, it must be initially concluded that these persons were selected by Trinity Broadcasting Network personnel (primarily Paul Crouch) based on two criteria: 1.) minority status; and 2.) demonstrated past loyalty to Trinity Broadcasting Network. Moreover, each of the four outside directors evidenced woeful lack of

involvement in and knowledge of the affairs of NMTV that they failed to qualify as "owners" in any meaningful sense. In GECC, supra, the assumption of unauthorized control followed after an abdication of control by the principals of the authorized licensee. A principal indicator of the abdication of control of the original principals was the testimony of one of them that he had never seen the corporate books and that he had never received data about the company's financial condition, technical operations or programming. Rather, the principals simply relied upon another to ensure the proper operation of the station. 52 RR 2d at 460. This was found to be inconsistent with the responsibilities of a licensee. The Review Board stated:

" Although Commission policy does not require the working integration of station owners into day-to-day routine station activities, it is to the licensee itself and not to its agents or employees that the Commission looks for baseline accountability. The licensed party must retain consistent and effective control over the station . . . "

Similarly, in The Trustees of the University of Pennsylvania, 69 FCC 2d 1394, 44 RR 2d 747 (1978) (Trustees), the renewal of license of a nonprofit educational licensee was denied essentially because the directors of the licensee had failed to inform themselves of the facts concerning the operation of its station and to define and enforce appropriate standards governing such operations.

592. The four outside directors of NMTV failed to meet this minimum requirement of ownership. Thus, none of them could have exercised the requisite degree of supervision over NMTV's finances, personnel and programming (as well as other aspects of NMTV's operation) because they lacked any meaningful knowledge of what was going on in those areas. Most egregiously, Phillip Aguilar was a director for almost three years but he knew virtually nothing about NMTV's activities. For instance, in the area of finances: David Espinoza, although generally aware that Trinity Broadcasting Network was loaning money to NMTV, had no knowledge of whether those loans were documented or what the terms thereof were; Phillip Aguilar didn't pay much attention to financial matters since he assumed everything was satisfactory as long as no one was in danger of losing their house; and neither E. V. Hill nor Armando Ramirez knew as of their depositions in this case how much money NMTV owed Trinity Broadcasting Network (although both had voted to forgive a \$650,000 debt owed to NMTV in April 1993). In the area of personnel: David Espinoza didn't know how many employees were hired at Odessa; Phillip Aguilar knew nothing about NMTV employees other than Paul Crouch, Jane Duff and Jim McClellan; E. V. Hill thought the number of NMTV employees was far greater than it in fact was; and Armando Ramirez did not know how many employees NMTV had until after his deposition in this case. In the area of

programming: David Espinoza, although he ostensibly favored local programming in Odessa, never took any steps to implement it but simply deferred to Jane Duff, whom he viewed as being in charge of that; Phillip Aguilar didn't know how many hours of Trinity Broadcasting Network programming was being carried in Portland or whether there was an affiliation agreement with Trinity Broadcasting Network; E. V. Hill didn't know how many hours per day Portland was on the air, how many hours of Trinity Broadcasting Network programming were required to be or were in fact carried, or whether the station ever substituted programs for Trinity Broadcasting Network programs; and Armando Ramirez had never given much thought to the carriage of programming other than that of Trinity Broadcasting Network. These are merely examples of the pervasive lack of involvement and even knowledge evidenced by the outside directors.

593. It accordingly must be concluded that the outside directors failed to meet the minimal qualifications necessary to even be considered "owners". Even Trinity Broadcasting Network/NMTV's lawyer Colby May conceded that a director could not be considered an "owner" if he failed to provide general direction to the affairs and policies of the company, which none of the outside directors did. Particularly noteworthy are the failures of Phillip Aguilar, who was the sole outside director at the time of NMTV contested attempt to acquire the

Wilmington, Delaware station. He evidenced a reluctance even to attend meetings, which Colby May also conceded to be a prerequisite to the status of "owner". Thus, after attending his first meeting, he missed the next three. His attendance resumed only after Jane Duff made special efforts to solicit his participation. Moreover, Phillip Aguilar evidenced an unwillingness to cooperate in the licensee's efforts to supply information to the Commission, which the Review Board in GECC also identified as a fundamental obligation of an owner. 52 RR 2d at 460-61.

594. Any desire the outside directors might have had to function as meaningful owners would in any event have been impaired since all of the advisors they might have relied upon for counsel were parties primarily connected with Trinity Broadcasting Network. Thus, both FCC counsel, Colby May, and local counsel, Norman Juggert, were primarily counsel for Trinity Broadcasting Network. The same was true of the accountants and engineers who did work for NMTV. There thus was no one who would perceive any independent obligation to NMTV that might lead to the outside directors receiving meaningful information and guidance concerning the circumstances pertaining to the corporation's affairs.

595. The HDO also cited as evidence of Trinity Broadcasting Network's control the fact that the NMTV board held joint annual meetings with Trinity Broadcasting Network

for many years. The record, of course, documents this practice. Of particular significance is the reason that this practice was changed. Thus, at the time of the Odessa acquisition, Colby May told Jane Duff that it would be desirable to "make things as separate as we could", with particular reference to the joint board meetings. Thus, the abandoning of the joint meetings was primarily a cosmetic change. Colby May clearly recognized in counseling only that the two entities make things as separate "as we could" that there was not disposition on Trinity Broadcasting Network's part for a bona fide separation of NMTV and that the best that could be done was to create appearances to conceal Trinity Broadcasting Network's actual control.

596. In the face of this overwhelming evidence of directorial irresponsibility, Trinity Broadcasting Network/NMTV cite two instances where Jane Duff and David Espinoza purportedly disagreed with Paul Crouch and outvoted him so that the course of action they favored was followed rather than that advocated by Paul Crouch. The two instances relate to the decision to construct rather than sell the Odessa station and the decision to sell rather than construct a low power permit acquired in the Houston, Texas area. From these instances we are asked to conclude that the two minority directors rather than Paul Crouch control NMTV.

597. Initially, it should be noted that the mere fact that Paul Crouch's subordinates disagreed with him and he went along with their position does not establish, even if true, that the subordinates are "owners". Any prudent owner should be willing to listen to the views of his subordinates and on occasion to defer to them. This would not support the conclusion that the subordinates were "owners" who could prevail over the true owner on a matter about which he felt strongly. In point of fact, however, the two instances relied upon would not in any event support an inference of control on the part of Jane Duff and David Espinoza.

598. With respect to the construction of Odessa, the minutes reflect that at a June 22, 1987 meeting, Paul Crouch made the suggestion that NMTV should "explore the feasibility" of selling Odessa (the permit for which had just been acquired), which Jane Duff and David Espinoza purportedly rejected. They also are reported to have rejected a similar suggestion at a December 12, 1988 meeting, shortly after Odessa went on the air. Whatever significance might be attributed to this, however, is undercut by the fact that only five months later in May, 1989, the directors executed a written action authorizing the sale of Odessa, which subsequently occurred after some delays pending negotiations to find a suitable buyer. Thus, what Paul Crouch wanted ultimately occurred. This strongly suggests that any early

deference to Jane Duff and David Espinoza reflected nothing more than a diplomatic accommodation to subordinates by an owner who knew he would ultimately get what he wanted. Thus, by his early deference Paul Crouch lost nothing since he could always achieve his desired goal at some later date.

599. Obviously recognizing the defect in this contention, NMTV concocted the explanation that Jane Duff and David Espinoza changed their positions because of unexpected financial reverses at Odessa. There is in fact no evidence to support this excuse. Thus the minutes of the December, 1988 meeting reflect that Odessa was being adequately supported. Minutes of a meeting in January 1990 reflect no discussion of financial problems at Odessa. They do reflect discussion of selling Odessa, but solely for the purpose of "trading up" to a station in a larger market. David Espinoza ultimately conceded that Odessa was sold in order to get a station in a larger market. He had to concede that there was no basis for a conclusion in May, 1989 that the Odessa station was not being adequately supported when a contrary finding was made only five months earlier because the station had not been given enough time to develop. It is rather evident that the Odessa station was never more than a stepping stone to Paul Crouch and that his game plan always was to "trade up" to a station in a larger market in fairly short order. The bottom line is that is precisely what happened, negating any

suggestion that Jane Duff and Paul Crouch exerted their "control" over Paul Crouch.

600. In a related matter, David Espinoza also was reported to have advocated at the June, 1987 meeting that NMTV proceed with the development of local programming at Odessa. Paul Crouch, it is reported, wished to rely on network programming. Here, however, Jane Duff did not actually disagree with Paul Crouch, but rather suggested that plans be made for local programming, even if its actual implementation was deferred. In point of fact, no plans were ever made and no local programming was ever broadcast at the Odessa station. Again, the course advocated by Paul Crouch prevailed, notwithstanding whatever may have been said at the NMTV board meeting. The most instructive point emerging from this episode is that, whatever pious sentiments he may have offered at the board meeting, David Espinoza never thereafter made any efforts whatsoever to promote the initiation of local programming. Far from establishing him as an independent director, this episode reinforces the conclusion of his total passivity, or perhaps his recognition that any actual decisions on this matter would be made by Trinity Broadcasting Network, not by him.

601. With respect to the Houston low power station, there is not even a scintilla of evidence that this episode had anything to do with control. It appears rather that this was

merely a disagreement between Jane Duff and Paul Crouch arising from her feeling that she was being saddled with too many responsibilities at the time in question, which was essentially resolved between her and Paul Crouch. David Espinoza's role was minimal. Although Jane Duff apparently solicited his support, there was never any board meeting or other corporate action reflecting the decision to sell the Houston permit. Paul Crouch was unaware of David Espinoza's involvement and David Espinoza was unaware of Paul Crouch's position. The only significance in this matter arises from the fact that an important corporate decision was made without any formal corporate action or informal consultation involving all the nominal directors. Moreover, it further reveals David Espinoza's irresponsibility as a director in that he formed his view based solely on what Jane Duff told him without making any independent inquiry of his own and without even knowing Paul Crouch's position. To cite this episode as evidence that the minority directors exercised "control" over Paul Crouch borders on the frivolous.

602. It can accordingly be concluded that the outside directors of NMTV never in fact functioned as "owners" in that they wholly failed to discharge the duties that the Commission expects of bona fide owners. Accordingly, it must also be concluded that, apart from the controlling director of Trinity Broadcasting Network and one of his principal subordinates,